

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

APR 30 2014

Tom Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Dear Mr. Betlach:

Enclosed is an approved copy of Arizona State Plan Amendment (SPA) No. 13-017B. This amendment extends an outpatient hospital reimbursement rate reduction effective for claims with dates of service through September 30, 2014. In the period specified by the SPA, reimbursement will be reduced by 5 percent of the payment that otherwise would have been made under the methodology in effect as of October 1, 2011.

The effective date of this SPA is October 1, 2013 as requested. Enclosed is the following approved State Plan page to be incorporated within your approved State Plan:

- Attachment 4.19-B, page 1(a)

If you have any questions, please have your staff contact Cheryl Young at (415) 744-3598 or at cheryl.young@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Gloria Nagle". The signature is fluid and cursive.

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Wakina Scott
HeeYoung Ansell

State: ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

5% Rate Reduction

Notwithstanding the methods and rates as otherwise described, for claims with dates of service between April 1, 2011 and September 30, 2011, all payments for outpatient hospital services will be reduced by 5% of the payment that would otherwise have been made under the methodology in effect as of October 1, 2010, as described above.

For claims with dates of service effective from October 1, 2011 to September 30, 2014, all payments for outpatient hospital services will be reduced by 5% under the methodology in effect as of October 1, 2011.

Payments for services provided by the Indian Health Service or Tribal 638 Health facilities are not subject to this 5% rate reduction.

TN No. 13-017B
Supersedes
TN No. 12-006B

Approval Date: APR 30 2014 Effective Date: October 1, 2013